

Message Text

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43

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 TRSE-00 L-03

OPIC-03 /030 W

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P R 201410Z APR 76

FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC PRIORITY 3398

INFO AMEMBASSY ANKARA

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DEPT PASS XMB

E. O. 11652: N/A

TAGS: EFIN EINV CPRS CY TU

SUBJECT: FCIA CLAIM PM-12, PM-13, LANITIS CO./INGERSOLL-RAND
T-4 DRILLMASTER

REF: (A) STATE 032624, (B) ANKARA 1430, (C) STATDE073228

1. EMBASSY IS IN CLOSE CONTACT WITH LOCAL INGERSOLL-RAND (I-R) REP WHO IS EXPLORING IF DEAL CAN BE MADE WHEREBY TITLE-HOLDER LANITIS WILL GIVE UP TITLE TO T-4 DRILLMASTER RIG IN EXCHANGE FOR CANCELLATION OF PROMISSORY NOTE. WE DO NOT VIEW AS LIKELY REF (A) PARA 1 STATEMENT THAT LANITIS "MAY BE WILLING TO PAY PART OF THE OUTSTANDING BALANCE."

2. TURKISH CYPRIOT AUTHORITIES (TFSC) HAVE BEEN INFORMED EMBASSY HAS LOCATED DRILLMASTER RIG. TFSC COMMENTS THAT TITLE TO RIG IS UNCLEAR AND THUS ISSUE OF OWNERSHIP IS OPEN FOR DISCUSSION. EMBASSY APPROACHING QUESTION OF TITLE TRANSFER WITH CAUTION FOR SEVERAL REASONS. IF TITLE TRANSFER CAN BEHARRANGED WE MAY STILL HAVE PROBLEM OF RE-EXPORT. PRESENT TFSC POLICY IS TO INSIST RE-EXPORT ALL GOODS THROUGH FAMAGUSTA PORT. GOC HAS DECLARED FAMAGUSTA ILLEGAL PORT. EMBASSY DOES NOT WISH TO BE INVOLVED IN ARRANGING SHIPMENT THROUGH FAMAGUSTA. I-R MAY TRY TO

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RE-EXPORT RIG VIA TURKEY THROUGH I-R REP IN ISTANBUL.

3. ON THE OTHER HAND, EMBASSY MAY RECOMMEND TITLE REVERT TO EXIMBANK INSTEAD OF I-RM EMBASSY THEN WOULD HANDLE CASE DIRECTLY. IN VIEW OF FACT TITLE TO RIG WOULD THEN BE IN AN AGENCY OF US GOVERNMENT THERE IS POSSIBILITY TFSC MIGHT PERMIT RIG TO BE DRIVEN SOUTH. ALSO, HAVING XMB TAKE TITLE MAY BE MORE ACCEPTABLE TO TFSC AS IT SHOULD BE EASY TO SHOW THAT SMB PAID 90 PERCENT OF THE UNPAID BALANCE DUE ON THE RIG PRICE.

4. AT THIS TIME LOCAL I-R REP IS MAKING PRELIMINARY SOUNDINGS WITH LANITIS AND I-R NEW YORK WITH FOLLOWING SCENARIO IN MIND:

A) ANY AGREEMENT THAT MIGHT BE WORKED OUT CONCERNING TITLE TRANSFER OR OTHER ARRANGEMENTS FOR DISPOSAL OF RIG WILL REQUIRE APPROVAL OF I-R/NY AND XMB. THUS PRESENT I-R REP DISCUSSIONS WITH LANITIS ARE PRELIMINARY AND STRICTLY EXPLORATORY.

BUIGIF LANITIS IS TO GIVE UP TITLE TO RIG, ARRANGEMENT MUST BE MADE WITH COSTAS AVRAAM (ORIGINAL PURCHASER OF RIG). ARRANGEMENT WITH AVRAAM WOULD END POSSIBILITY ANY FUTURE CLAIM BY AVRAAM FOR RIGHTS TO THE RIG.

C) IF ABOVE CAN BE ARRANGED, THERE WOULD HAVE TO BE AN AGREEMENT BETWEEN I-R/NY AND XMB WHEREBY I-R WOULD BE RESPONSIBLE FOR FINAL DISPOSAL OF MACHINE (RESALE, ETC.). AGREEMENT WOULD ALSO HAVE TO INCLUDE SETTLEMENT WITH REGARD TO OUTSTANDING ACCOUNT BETWEEN I-R AND XMB; LOCAL LEGAL FEES (IF LEGAL ASSISTANCE BECOMES NECESSARY); COSTAS AVRAAM. AVRAAM HAS PAID \$51,393.88 TOWARD TOTAL PURCHASE PRICE.

5. WOULD APPRECIATE DEPARTMENT AND XMB VIEWS ON ABOVE OUTLINE. CRAWFORD

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